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CHINA BRILLIANT GLOBAL LIMITED

朗華國際集團有限公司

(Incorporated in the Cayman Islands with limited liability)

(Stock Code: 8026)

SUBSCRIPTION OF NEW SHARES

The Company is pleased to announce that on 22 December 2020 (after trading hours), the Company entered into the Subscription Agreement with the Subscriber, pursuant to which the Subscriber has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue 4,784,689 new Shares at the Subscription Price of HK\$0.627 per Subscription Share.

The Subscription Price represents (i) a discount of approximately 3.54% to the closing price of HK\$0.65 per Share as quoted on the Stock Exchange on 22 December 2020, being the date of the Subscription Agreement; and (ii) a discount of approximately 9.91% to the average of the closing prices of HK\$0.696 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding to the date of the Subscription Agreement. The Subscription Price was arrived at after arm's length negotiations between the Company and the Subscriber, taking into account of, among others, the recent trading performance of the Shares. The Directors consider that the Subscription Price and the terms of the Subscription Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The Subscription Shares represent approximately 0.33% of the existing issued share capital of the Company and approximately 0.33% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares. The net proceeds of the Subscription of approximately HK\$3,000,000 are intended to be applied towards the general working capital of the Group.

SUBSCRIPTION AGREEMENT

On 22 December 2020 (after trading hours), the Company entered into the Subscription Agreement with the Subscriber, pursuant to which the Subscriber has conditionally agreed to subscribe for and the Company has conditionally agreed to allot and issue 4,784,689 new Shares at the subscription price of HK\$0.627 per Subscription Share.

Date: 22 December 2020 (after trading hours)

Parties:

- (i) The Company as issuer
- (ii) The Subscriber as subscriber

The Subscriber

The Subscriber is a corporation licensed by the Securities and Futures Commission of Hong Kong to carry out Type 1 (Dealing in Securities), Type 4 (Advising on Securities), and Type 9 (Asset Management) regulated activities under the Securities and Futures Ordinance. The Subscriber was established in 2016 and is a wholly-owned subsidiary of Canfield Financial Holdings Limited. The entire issued share capital of Canfield Financial Holdings Limited is beneficially owned by Mr. Yu Chi Wang Jerry, an entrepreneur with over 30 years of experience in investment banking, commercial banking, real estate investment, land development and infrastructural projects in the PRC and overseas.

To the best of the Directors' knowledge, information and belief having made all reasonable enquiries, the Subscriber and its ultimate beneficial owner are Independent Third Parties.

Number of Subscription Shares

The 4,784,689 Subscription Shares represent approximately 0.33% of the existing issued share capital of the Company and approximately 0.33% of the issued share capital of the Company as enlarged by the allotment and issue of the Subscription Shares.

Subscription Price

The subscription price of HK\$0.627 per Subscription Share represents:

- (i) a discount of approximately 3.54% to the closing price of HK\$0.65 per Share as quoted on the Stock Exchange on 22 December 2020, being the date of the Subscription Agreement; and

- (ii) a discount of approximately 9.91% to the average of the closing prices of HK\$0.696 per Share as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding to the date of the Subscription Agreement.

The net Subscription Price, after deduction of relevant expenses, is approximately HK\$2,950,000 per Subscription Share.

The Subscription Price was arrived at after arm's length negotiations between the Company and the Subscriber, taking into account, among others, the recent trading performance of the Shares. The Directors consider that the Subscription Price and the terms of the Subscription Agreement are fair and reasonable and in the interests of the Company and the Shareholders as a whole.

The aggregate Subscription Price for all Subscription Shares shall be settled by the Subscriber in cash upon completion of the Subscription Agreement.

Rights of the Subscription Shares

The Subscription Shares, when allotted and issued, will rank equally in all respects among themselves and with the Shares in issue on the date of allotment and issue of the Subscription Shares.

Mandate to issue the Subscription Shares

The Subscription Shares will be allotted and issued pursuant to the General Mandate. As at the date of this announcement, the General Mandate has not been utilised prior to the entering into of the Subscription Agreement. The allotment and issue of the Subscription Shares will utilise approximately 1.64% of the General Mandate.

Conditions of the Subscription

The Subscription is conditional upon:

- i) the Listing Committee of the Stock Exchange granting or agreeing to grant the listing of, and permission to deal in, the Subscription Shares; and
- ii) all the necessary consents and approvals required to be obtained by the Subscriber in respect of the Subscription having been obtained.

In the event that the condition of the Subscription is not fulfilled on or before 31 January 2021 or such other date as may be agreed between the parties to the Subscription Agreement, the Subscription Agreement shall cease and determine and neither the Company nor the Subscriber shall have any obligations and liabilities under the Subscription Agreement.

Completion of the Subscription

Completion of the Subscription will take place within three business days after the conditions of the Subscription are fulfilled (or such other date as may be agreed between the parties).

Application for listing

Application will be made by the Company to the Listing Committee of the Stock Exchange for the listing of, and permission to deal in, the Subscription Shares.

REASONS FOR THE SUBSCRIPTION AGREEMENT AND USE OF PROCEEDS

The principal activities of the Group are wholesale and retailing of jewellery, money lending and the operation of digital banking services in Kazakhstan.

The Directors consider raise funds by issuing the Subscription is justifiable considering the recent market conditions and consider that the Subscription represents an opportunity for the Company to enhance its working capital and strengthen its capital base and financial position. The Subscription not only represent an opportunity to raise capital for the Company, it also enlarge and broaden the Shareholder base and capital base of the Company.

The gross proceeds of the Subscription are approximately HK\$3,000,000. It is intended the net proceeds of the Subscription of approximately HK\$2,950,000 will be applied towards the general working capital of the Group.

The Directors consider that the Subscription Agreement is entered into upon normal commercial terms following arm's length negotiations between the Company and the Subscriber and that the terms of the Subscription Agreement are fair and reasonable so far as the interests of the Company and the Shareholders as a whole are concerned. The Directors also consider that the Subscription will strengthen the financial position of the Group.

CHANGES OF SHAREHOLDING STRUCTURE

The changes of the shareholding structure of the Company as a result of the Subscription are as follows:

Shareholders	At the date of this announcement and immediately before completion of the Subscription		Immediately after completion of the Subscription	
	Number of Shares	Approximate percentage	Number of Shares	Approximate percentage
Brilliant Chapter Limited (Note)	834,851,294	57.48%	834,851,294	57.29%
Mr. Zhang Chunhua	10,109,000	0.70%	10,109,000	0.69%
The Subscriber	—	—	4,784,689	0.33%
Other Shareholders	607,493,431	41.82%	607,493,431	41.69%
Total:	<u>1,452,453,725</u>	<u>100%</u>	<u>1,457,238,414</u>	<u>100%</u>

Note:

The issued share capital of Brilliant Chapter Limited is beneficially owned as to 80% by Mr. Zhang Chunhua, an executive Director and the chairman of the Company and as to 20% by Ms. Zhang Chunping an executive Director.

EQUITY FUND RAISING ACTIVITIES IN THE PAST TWELVE-MONTH PERIOD

The Company has not conducted any other equity fund raising activities in the past twelve months immediately preceding the date of this announcement.

DEFINITIONS

In this announcement, unless the context otherwise requires, the following expressions shall have the following meaning:

“AGM” the annual general meeting of the Company convened and held on 24 September 2020 to approve, among other things, the grant of the General Mandate

“Board” the board of Directors

“Company”	China Brilliant Global Limited, a company incorporated in the Cayman Islands with limited liability and the issued Shares of which are listed on GEM of the Stock Exchange
“connected person(s)”	has the meaning ascribed to this term under the GEM Listing Rules
“Directors”	directors of the Company
“GEM Listing Rules”	the Rules Governing the Listing of Securities on GEM of the Stock Exchange
“General Mandate”	the general mandate granted to the Directors at the AGM to allot, issue and deal with up to 20% of the issued share capital of the Company as at the date of the AGM
“Group”	the Company and its subsidiaries
“Hong Kong”	the Hong Kong Special Administrative Region of the PRC
“Independent Third Party(ies)”	independent third party(ies), to the best of the Directors’ knowledge, information and belief having made all reasonable enquiry, who is/are not connected with the Company and its connected persons
“PRC”	the People’s Republic of China
“Share(s)”	ordinary share(s) of HK\$0.1 each in the share capital of the Company
“Shareholder(s)”	holder(s) of the Share(s)
“Stock Exchange”	The Stock Exchange of Hong Kong Limited
“Subscriber”	Canfield Securities Company Limited a company incorporated in Hong Kong and the subscriber to the Subscription Agreement
“Subscription”	the subscription for the Subscription Shares by the Subscriber pursuant to the Subscription Agreement

“Subscription Agreement”	the conditional subscription agreement dated 22 December 2020 and entered into between the Company and the Subscriber in respect of the Subscription
“Subscription Price”	the subscription price of HK\$0.627 per Subscription Share
“Subscription Shares”	an aggregate of 4,784,689 new Shares to be subscribed by the Subscriber pursuant to the Subscription Agreement
“HK\$”	Hong Kong dollars, the lawful currency for the time being of Hong Kong
“%”	per cent.

By Order of the Board
CHINA BRILLIANT GLOBAL LIMITED
Zhang Chunhua
Chairman

Hong Kong, 22 December, 2020

As at the date of this announcement, the Board comprises the following directors:

*Mr. Zhang Chunhua (Executive Director (Chairman))
Ms. Chung Elizabeth Ching Yee (Executive Director and Chief Executive Officer)
Ms. Zhang Chunping (Executive Director)
Ms. Chan Mei Yan Hidy (Independent Non-executive Director)
Mr. Kwan Chi Hong (Independent Non-executive Director)
Ms. Lee Kwun Ling, May Jean (Independent Non-executive Director)*

This announcement, for which the Directors collectively and individually accept full responsibility, includes particulars given in compliance with the GEM Listing Rules for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this announcement is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this announcement misleading.

This announcement will remain on the GEM website at www.hkgem.com on the “Latest Company Announcements” page for at least 7 days from the date of its posting and the Company’s website at www.cbg.com.hk